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SECURITY INFORMATION

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CENTRAL INTELLIGENCE AGENCY
OFFICE OF NATIONAL ESTIMATES

22 June 1953

SUBJECT: REVISED DRAFT SE-46: ESTIMATE OF PROBABLE LONG
TERM DEVELOPMENTS OF THE SOVIET BLOC AND
WESTERN POWER POSITIONS

THE PROBLEM

To estimate the probable relative development of the
Soviet Bloc and Western Power positions over the next 15
years, with a view to estimating whether or not time is
on our side.

ASSUMPTIONS

1. No general war.
2. Continuation of present programs and policies of

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both the Bloc and the Western Powers.^{1/}

DISCUSSION

1. We believe it essential to state at the outset that we cannot give any unequivocal answer to the question of "whether time is on our side". Even assuming a "continuation by both sides of present policies and programs" (itself an assumption difficult to handle), there are so many imponderables which would materially affect the world situation as to prevent any firm estimate of the relative Soviet Bloc and Western power positions, say 15 years from now. However, it is possible to appraise in general terms our likely power position vis-a-vis

^{1/} We take the assumption "continuation by both sides of present plans and policies" to mean a continuation of the generally hostile policies pursued up to this point by both great power blocs in the "cold war". However, a new uncertainty is introduced into this assumption by the "soft" tactics which are currently being pursued by the post-Stalin regime. Unless these tactics are limited and temporary, they will almost certainly create a new type of cold war situation, with incalculable effects. Thus the West as well may have to make various alterations in "present programs and policies" if it is to prosecute effectively the long-term conflict with the Soviet Bloc. The world may be entering a new and uncertain phase of the East-West conflict, in which maximum flexibility in Western policies will be required if "time" is to be on our side.

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the Soviet Bloc if present trends continue and if various major alternative developments do or do not come to pass. Moreover, by examining the relative impact of these alternatives, we can at least establish the significant factors which might alter present trends.

I. PROBABLE ECONOMIC GROWTH OF SOVIET BLOC AND THE WEST

2. The Soviet Bloc. At present the over-^{all} economic strength of the Soviet Bloc is far less than that of the NATO powers; in terms of gross national product (GNP), the 1952 output of the entire Bloc was little over one-third that of the NATO states. However, assuming a continuation of present policies and programs, the economic strength of the Soviet Bloc will probably continue to increase greatly over the next 10-15 years. The rate of growth of the Soviet economy will almost certainly remain higher than that of any major Western state, although the past rapid rate of growth, which we estimate averaged 7-8% in 1948-52, is already leveling off and the annual rate toward the end of the period is unlikely to exceed 3-4%. Even so, total Soviet GNP will probably almost double within the next 15 years.

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3. Bloc economic capabilities to wage war are likely to increase even more substantially than the overall strength of the Bloc economy, since the Bloc will probably continue to place more emphasis on industrialization, and in particular, on military production, than on expanding other sectors of the economy. Bloc self sufficiency, already great, will probably become more nearly complete.

4. Several contingencies might affect these projections. A prolonged struggle for power or increased internal dissension in the Soviet Bloc might dissipate Soviet energies. A relaxation in the forced pace of Bloc industrialization might reduce the rate of increase in Bloc capabilities to mount a major war. The difficulty of rapidly increasing the industrial labor force in the USSR and ^{the} probable lag in agricultural production may prove serious limiting factors. On the other hand Soviet Bloc agriculture is technologically far behind that of the West, and the application of known scientific developments would permit the Bloc to substantially increase agricultural production, and/or release of agricultural labor for other uses.

5. The West. It is even more difficult to estimate the probable economic growth of the Western powers. The freer and

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less closely integrated Western economies, particularly those of the major US allies, are more vulnerable to economic fluctuations and trends in international trade than are those of the Bloc. Much will depend upon the ability of the Western powers to establish a pattern of international trade which will foster increased productivity, reduce the reliance of other free world nations on US assistance, provide such countries [REDACTED] with adequate free world markets, and in general permit a steady growth in free world economic strength. The US role will be of critical importance in this field. However, assuming a continuation of present trends and no serious depressions, we estimate the probable economic growth of the Western powers at 48% over the next 15 years.^{2/}

6. Even assuming such a growth in over-all Western economic strength, the Western powers will continue to face much greater difficulties than the Soviet Bloc in their ability to allocate and direct their resources toward cold war objectives

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and preparations for hot war. The level of resources required to maintain their civilian economies will remain substantially greater, their ability (and desire) to impose sacrifices will be less, and the problems of devising common and equally effective policies among different and often divergent nations will remain difficult to overcome.

7. Thus, although numerous factors could alter the above projections, we believe that so far as relative economic growth and capabilities are concerned, time is more on the Soviet side. By 15 years from now, the gap between Western and Bloc annual GNP will probably be considerably narrowed, from more than $2\frac{1}{2}:1$ in 1952 to about $2\frac{1}{4}:1$ in 1967.^{3/} Moreover, Bloc vulnerability to unfavorable economic fluctuations will continue to be less than that of the Western Powers. The relative ability of the totalitarian Soviet Bloc to devote a high percentage of its resources both to the cold war and to overall military preparations is also likely to remain greater than that of the West.

^{3/} To project these trends to 1975, Bloc GNP is estimated to increase on the order of 225% while Western GNP increases only 70%, thus altering the ratio to roughly 2:1 in favor of the West. On the other hand, the absolute disparity between the two will grow even greater, from \$360 billion in 1952 to some \$500 billion by 1975.

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8. On the other hand, certain factors decrease the significance of relative economic growth as a factor in the world power balance. Despite the relative increase in Bloc as opposed to Western GNP, the actual disparity is growing ever greater. The West will remain for the indefinite future greatly superior to the Soviet Bloc in total economic strength. Moreover, because of the revolution in modern warfare, as discussed below, the relative economic strength of the two blocs, although important, is unlikely to be the ruling factor in determining whether time is on our side. Each side will probably have the economic resources to develop a "knock-out" blow, against the other, despite any disparity in over-all economic strength.

II. PROBABLE OVER-ALL MILITARY CAPABILITIES OF THE SOVIET BLOC AND THE WEST

9. Given the technological revolution in means of warfare, the technological and military equation may be the most important factors in whether or not time is on our side. Despite the difficulty of any firm estimate, we believe that throughout the next 10-15 years the West will continue to maintain a substantial

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edge over the Soviet Bloc in over-all scientific capabilities, in numbers and quality of atomic weapons, in means of delivery, and perhaps in net air defense capabilities, but that the Soviet Bloc will gradually narrow the existing gap in most, if not all of these respects.^{4/}

a. While the over-all scientific assets of the West (numbers and quality of trained personnel, facilities, equipment, and financial support) are now far greater than those of the Soviet Bloc, the USSR is expending great effort to reduce this disparity. Moreover, the Bloc will probably continue to be better able to concentrate research and development on critical national security needs and to devote a higher proportion of its scientific and technical assets to military purposes than the West. Therefore, insofar as over-all scientific and technological capabilities for war are concerned, the Soviet Bloc is likely to narrow the gap between it and the West over the next 15 years.

b. Both sides will probably develop extensive CW and BW capabilities, but the USSR may acquire an edge, particularly

^{4/} Although at present we are unable to foresee any major technological breakthrough by either the West or the Soviet Bloc, we cannot estimate the likelihood of such a development or whether it would confer more than a transitory advantage on either side. Either side is probably strong enough to exploit such a breakthrough to the fullest extent.

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in BW because it is believed to be pursuing research more vigorously than the West and its greater capabilities for secrecy may give it the advantage of technological surprise.

c. Within the relatively near future, we assume that the US, if it has not already done so, will acquire sufficient atomic and thermo-nuclear weapons (and adequate means of delivery) to destroy the industrial core of the USSR. On the other hand, while estimates of future Soviet stockpiles and the number of weapons required are subject to wide variation, at some point within the next ten years the USSR also will probably acquire enough weapons, if these can be delivered on target, to cripple US war-making potential. Means of delivery rather than number of atomic weapons appear increasingly likely to be the chief limitation on Soviet capabilities, but we believe that over the next fifteen years, the USSR will also substantially improve its means of delivery.

10. Therefore, even assuming a substantial increase in US air defenses, it is likely that the USSR will eventually acquire the means of delivery with which, regardless of losses, to saturate these defenses and cripple the US. Unless some unforeseen new development in defensive weapons and techniques permits a much higher level of effective defense than now seems attainable, we

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believe that even though the present cycle of offensive superiority over the defensive is altered, a sufficiently high proportion of attackers will still probably be able to get through.

11. Consequently, at some time in the foreseeable future the world will have entered a period in which both of the great power blocs will have the capacity to cripple or even annihilate the other, though only at grave risk of equally crippling blows in return. Except in event of strategic surprise or an unforeseen technological breakthrough, we believe that neither side would be able to prevent powerful retaliation in kind. Much will depend upon the ability of either side to achieve an initial surprise. Given the time which now appears required to launch a US atomic offensive, it is conceivable that the USSR could seriously weaken US retaliatory capabilities, if it could make a major surprise attack.

12. As a result, the immense strategic advantage of the US—its practical invulnerability to crippling enemy attack (which has heretofore permitted a relatively leisurely post-D/day mobilization)—is rapidly becoming a thing of the past. We cannot estimate the time at which the US will become vulnerable to a crippling of its war-making capacity, but it is probably well within the next

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10-15 years. , Thus, despite probable US retention of a sizable margin of technological superiority, superior atomic offensive capabilities, and a relatively lesser geographic vulnerability than the Soviet Union, this continued disparity will become less significant in that the USSR, despite its inferiority in these respects will sooner or later acquire the capability to cripple the US. To this extent time is probably on the Soviet side.

13. Conventional military capabilities are so increasingly overshadowed over the next fifteen years by developments in unconventional warfare that it is difficult to estimate future trends in this direction or their relative importance in event of global war. However, the rearmament and continued pro-Western orientation of Japan and West Germany would substantially increase conventional Western defensive capabilities, while their geographic location and not inconsiderable technological potential might provide a substantial increment to Western unconventional strength. Moreover, relative conventional capabilities will continue to be of great importance in meeting the threat of local cold war aggression. To the extent that the West can develop local military capabilities in key areas around the Bloc periphery, it will measurably increase its relative power position in the cold war.

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III. PROBABLE TRENDS IN THE POLITICAL AND SOCIAL STRENGTH
AND COHESION OF THE SOVIET BLOC AND THE WEST

14. Probable Trends in the Soviet Bloc. In contrast to economic, scientific, and military factors, it is difficult to make even a tentative estimate of the extent to which political and social trends and developments will affect the relative power positions of the two great power blocs over so long a period as the next fifteen years. At present we see no indications that the economic and military bases of Soviet power have been affected by Stalin's death. We believe, however, that during this period there is an ever present possibility that a debilitating struggle for power within the Kremlin and/or internal conflicts in the Soviet system might cause a retraction and decay of Soviet power. We cannot estimate, however, at what point or to what extent such developments would begin to have a material effect on the power position of the Soviet Bloc.

15. In any case we believe it unsafe to assume that the Bloc will not retain its cohesion and centralized direction over the next 10-15 years. While the more flexible policies of the post-Stalin regime and the modest relaxation of tight Soviet controls may permit periodic overt manifestations of discontent behind the Iron Curtain, over the long run these very policies may also tend

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to lengthen the Kremlin's lease on power. The European Satellites will probably remain under control of the Kremlin, and the Chinese Communists will probably continue to work in close accord with the USSR. Nevertheless the possibility exists that conflicts of aim and interest between Peiping and Moscow may cause Communist China to attempt to play an increasingly independent role. Should this potential weakness develop into a rift between the two chief Communist states, it would be a major blow to Soviet power.

16. Trends in the Political and Social Strength and Cohesion of the West. Because of the greater diversity of the looser Western coalition and the variety of forces at play within it, we find it even more difficult to project probable trends in Western strength and cohesion as they affect the global balance of power. However, at no time in the foreseeable future are the Western Powers likely to attain the centralized control, unity of action, and ability to mobilize their resources that characterizes the Bloc. In general they will probably continue to be more vulnerable to internal conflicts, economic fluctuations, and divisive influences than the Bloc. Much will depend on international economic developments, on future Soviet policy, on the future position of major nations like Germany, Japan, and India and above all on the role played by the acknowledged leader of the Western coalition, the US itself.

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17. As the only single aggregation of resources outside the US itself comparable to the Soviet Bloc, Western Europe plays a major role in the world power balance. Its continued weakness is a major vulnerability of the Western Powers, while its wartime acquisition would be a tremendous increment to the power of the Soviet Bloc. The reappearance of a strong and viable Western Europe, including Germany, would substantially decrease Western cold and hot war vulnerability and alter the present power relationship between the Soviet and Western blocs in favor of the West.

18. On the other hand, we see many obstacles to the achievement of this objective. We believe that a primary concern of the Kremlin over the coming period will be to frustrate the development of a viable and defensible Western Europe. In this effort the Kremlin will undoubtedly concentrate on the key to the European situation, the German problem. [REDACTED]

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However, such a development would not necessarily weaken the Western position. A rearmed and neutral Germany would act as a buffer, its status would probably be only temporary, and its long term interests would probably lie more with the West than with the Bloc.

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19. We believe that a continued Kremlin shift to a more moderate policy would also present a real challenge to the further growth in strength and cohesion of the Western Powers. To date the US has succeeded in creating and partially rearming an anti-Soviet coalition under the impetus of an acute Soviet threat. Should this threat appear to diminish, it would be difficult to maintain the support of Western peoples for continued rearmament, greater unity, and aggressive anti-Communist policies. The likelihood of divisions among the Western Powers, especially if encouraged by skillful Kremlin action, would markedly increase. It might lead, over the longer run, to some of our allies adopting more neutral positions, or even to the creation of a European "Third Force". On the other hand a decrease of cold war tensions might actually permit an increase in the political, economical, and social health of many Western countries by allowing them greater opportunity to concentrate on domestic needs and to devote more resources to meeting their own economic and social problems.

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21. Probable Trends in the Strength and Alignment of "Gray" Areas. A major vulnerability of the West is represented by the extreme political and social instability of the underdeveloped areas of the Middle and Far East and Africa, where profound social changes are in progress, entailing in many areas disorder and consequent vulnerability to Communist influences. The consequent danger to the Western position is acute in some areas of Southeast Asia and the Middle East. For example, a Viet Minh conquest of Indochina, which is possible, would probably result in eventual loss of most of mainland Southeast Asia and is worsened prospects for stability in the Indian subcontinent, [REDACTED] A Communist 25X6 takeover in Iran, which is also possible, would jeopardize the already unstable Western position in the Middle East. The anti-Western overtones of the political and social revolution in the Middle and Far East and Africa create another serious obstacle to the mobilization of their resources on the side of the West.

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22. On the other hand, Western control or influence is still paramount in the undeveloped areas, and the US and its allies have many assets in their search for the allegiance of the new and emergent Asian and African states. Over the next 10-15 years the US and its allies may be able to establish new relationships of mutual confidence with the undeveloped countries; much will depend on the leadership exerted by the US. In any case while the South and Southeast Asian states in particular may over the long run become more important elements in the world power situation, we do not believe that developments in these areas will basically alter the world power situation in the next 10-15 years.

IV. IS TIME ON OUR SIDE?

23. We believe that to the extent that the Soviet Bloc continues over the next 10-15 years to narrow the existing economic, technological, and atomic gap between its own and Western capabilities time will be more on the Soviet side. While the West will probably retain a sizable margin of superiority, there is no assurance that the West's superior resources will be of decisive importance in the world power struggle. In fact, this superiority may be of decreasing significance,

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because: (a) the Soviet Bloc will probably retain a relatively greater ability to devote its resources to cold war and military preparations; and (b) for the first time the USSR will probably be capable of a crippling attack on the US economy, notwithstanding the continued existence of a greater US capability to devastate the USSR. Moreover, to the extent that the Kremlin would be more willing to use "atomic blackmail" and to take more risks in crisis situations than the US or especially the US allies, it might be more able to use "atomic" diplomacy for major cold war gains.

24. On the other hand, we believe that the possibilities of internal decay or collapse of the totalitarian Bloc system are far greater than those of the Western powers, and that in terms of the relative flexibility and vitality of free world as opposed to Communist institutions, time is probably on our side. However, it is unsafe to assume that such a collapse will take place within any given period, such as the next fifteen years. Until the process of internal disintegration sets in, the totalitarian nature of the Soviet system and the Kremlin's pervasive control or influence over its Bloc partners will continue to provide it with many advantages in a power struggle with the looser coalition led by the US.

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25. There is also danger that a shift in Soviet tactics, without any change in basic Soviet objectives, might permit the Bloc to use time more effectively to its advantage. If the Kremlin should call a halt to the period of "active" cold war and embark on a period of attempted co-existence (though at the same time continuing its forced pace of industrialization and armament), the West might be lulled by the shift in Soviet external policy to relax its guard. Then the West might at some future date be faced with the prospect that the USSR, after greatly improving its own relative power position, was prepared to renew the East-West conflict.

26. Therefore, we conclude that in the absence of (a) a breakdown in the Soviet control system; (b) a presently unforeseen growth in Western strength and cohesion; or (c) achievement by either side of a technological breakthrough, time is probably more on the Soviet side. Because of the many imponderables which could alter this trend, however, we do not believe that it is inevitable nor that even under such circumstances the West will have lost out. Even if over the next fifteen years the Bloc narrows the gap between Soviet and Western power, it will almost certainly be unable to achieve a decisive increase in its strength.

Only in the event that the Bloc could achieve initial surprise and cripple US retaliatory power in a general war offensive, is there any prospect in the foreseeable future that it could defeat the West.

27. Finally, we believe that time is more on the Soviet side in terms of capabilities for waging general war than in terms of a continuing cold war situation. While the USSR will probably achieve within the next fifteen years the capability of crippling the US in a general war offensive (though at grave risk of devastation in return), there is much less likelihood that in a continued cold war it could achieve an equally substantial increase in its relative strength. We believe that the cold war is unlikely over the next fifteen years to lead to any critical shifts in the balance of power to the benefit of either side.